

News Release

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For Immediate Release

For More Information:

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What's in store for the Direct and Counter-cyclical Program

Bozeman, MT – The 2008 Farm Bill provides the continuation of the Direct and Counter Cyclical Payment (DCP) program for 2008 through 2012. At this time a signup period has not been announced, however, some preliminary details are provided for DCP. The Farm Service Agency (FSA) county offices will notify Montana producers once signup is announced and forms and software are available.

The bill also enacts a new program, Average Crop Revenue Election (ACRE) beginning with the 2009 crop year. Details on ACRE will be provided as they become available.

DCP base acres and yields will remain the same as under the 2002 Farm Bill with the exception of pulse crops; chickpeas (Desi and Kabuli Garbanzo beans), dry peas, and lentils, being added beginning with the 2009 crop year. Base adjustments will be made for expired and voluntarily terminated CRP contract acreage. Base acreage may not exceed the available DCP cropland acreage on the farm. A producer with the sum of the base acreage on the farm with 10 acres or less must be a minority or limited resource farmers or ranchers to be eligible for both DCP and ACRE.

Direct and Counter-cyclical payments for the 2008 year will be made on 85 percent of the base. For 2009-2011, the direct payment acres are 83.3 percent of the base, returning to 85 percent again in 2012. A 22 percent advance payment will be available for the 2008 through 2011 crop years.

Direct payments rates are:

- Barley \$0.24/bu
- Corn \$0.28/bu
- Grain Sorghum \$0.35/bu
- Oats \$0.024/bu
- Other Oilseeds \$0.80/cwt
- Soybeans \$0.44/bu
- Wheat \$0.52/bu

Planting flexibility is allowed similar to what it was in the 2002 Farm Bill, including planting restrictions for fruits and vegetables on base acreage without farm or producer history. Many other eligibility requirements remain the same such as compliance with the Highly Erodible Land and Wetland provisions, requirement to report all cropland acres, actively engaged in farming and person determinations, and adjusted gross income provisions. Payment limitation amounts remain the same at \$40,000 for direct payments and \$65,000 for counter-cyclical payments.

Beginning with the 2009 crop year, payment limitations will be applied by crediting individuals and entities with the amount of payments they receive directly and also considered to have received indirectly through an interest in an entity. FSA will use the terminology direct attribution for this process. Actively engaged in farming, cash rent tenant, foreign person, and many of the other rules remain the same. Also beginning with the 2009 crop year, the adjusted gross income limitations will change.

The 2008 Farm Bill also provides for stronger penalties when a person or entity fails to comply with

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payment limitation provisions, adopts or participates in adopting a scheme or device to evade the payment limitation provisions, intentionally conceals the interest of a person in a farming operation or fails to disclose relevant information to administering payment limitation provisions.

Keep watching the news media for signup beginning dates or log on to the Montana FSA website at <http://www.fsa.usda.gov/mt>.

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